

HOUSE BILL 501  
By Buck

AN ACT to amend Tennessee Code Annotated, Title 2, Chapter 10; Title 3, Chapter 6; Title 8, Chapter 50, Part 5 and Title 12, relative to ethics.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following new sections:

Section 2-10-121.

As used in §§ 2-10-122, 2-10-123 and 2-10-124, unless the context otherwise requires:

- (1) The term "consulting services" with respect to an official in the legislative branch, an official in the executive branch, or the immediate family of either type of official, includes services for influencing legislative or administrative action as such term is defined in § 3-6-102(10) or providing consulting services for any purpose, including services to advise or assist such person or entity in maintaining, applying for, soliciting, or entering into a contract with the state.
- (2) The term "consulting services" with respect to a municipal or county official, or the immediate family of either type of official, includes services for influencing legislative or administrative action or providing consulting services for any purpose,

including services to advise or assist such person or entity in maintaining, applying for, soliciting, or entering into a contract with the municipality or county represented by such official. For purposes of this subdivision, the term "influencing legislative or administrative action" includes promoting, supporting, influencing, modifying, opposing, or delaying any action of the county or municipality which the official represents by any means, including, but not limited to, the provision or use of information, statistics, studies, or analyses, but not including the furnishing of information, statistics, studies, or analyses requested by a municipal or county official to such official or the giving of testimony by an individual testifying at an official hearing conducted by officials of the county or municipality.

(3) The term "immediate family" has the same meaning as such term is defined in § 3-6-102(9).

(4) The term "official in the executive branch" means the governor, any member of the governor's staff or any person in the executive service as such term is defined in § 8-30-208(b).

(5) The term "official in the legislative branch" has the same meaning as such term is defined in § 3-6-102(16).

Section 2-10-122.

(a)

(1) If any person or other entity that does business with the state of Tennessee in any capacity, any subsidiary of such person or entity, any entity that contracts with such person or entity, or any entity that contracts with an entity that contracts with such person or entity, pays a fee, including a retainer, commission or any other form of compensation to an official in the legislative branch, an official in the executive branch, or the immediate family of either type of official, for consulting services, then such person or entity, or subsidiary or

contractor of such person or entity shall disclose the following to the registry of election finance:

- (A) The person to whom the fee was paid;
- (B) The position of the person to whom the fee was paid;
- (C) The amount of the fee;
- (D) The date the services were rendered; and
- (E) A description of the services rendered.

(2) If any person or other entity that does business with a municipality or county within the state of Tennessee in any capacity, any subsidiary of such person or entity, any entity that contracts with such person or entity, or any entity that contracts with an entity that contracts with such person or entity, pays a fee, including a retainer, commission, or any other form of compensation to a municipal or county official, or the immediate family of either type of official, for consulting services, such person or entity, or subsidiary or contractor of such person or entity shall disclose to the registry of election finance the same information for such officials as required pursuant to subdivision (1) for officials in the legislative or executive branch.

(b) The disclosure shall be on a form designed by the registry of election finance, shall be made under oath, and shall contain a statement that a false statement on the report is subject to the penalties of perjury. A disclosure form shall be filed each time compensation for consulting services is paid to one (1) of the officials named in subsection (a). The person or entity, or subsidiary or contractor of such person or entity, paying the consulting fee shall have thirty (30) days from the date such fee is paid to file a disclosure form as required by this section.

(c) All disclosures made to the registry pursuant to this section are public records and open for inspection during regular business hours.

(d)

(1) It is a Class A misdemeanor for any person or entity, or subsidiary or contractor of such person or entity, to knowingly fail to file a disclosure form as required by this section.

(2) It is a Class C misdemeanor for any person or entity, or subsidiary or contractor of such person or entity, to file a disclosure form as required by this section more than thirty (30) days after the date on which a consulting fee for which disclosure is required is paid.

#### Section 2-10-123.

(a)

(1) Any member of the general assembly or member elect of the general assembly who receives a fee, commission, or any other form of compensation for consulting services from a person or entity doing business with the state, any subsidiary of such person or entity, any entity that contracts with such person or entity, or any entity that contracts with an entity that contracts with such person or entity, shall be required to make the same disclosure required by § 2-10-122.

The registry of election finance may devise a new form for disclosure of consulting fees by members of the general assembly or members elect of the general assembly or may modify the one required by § 2-10-122 for use by all parties required to disclose.

(2) Any member of a municipal or county legislative body or member elect of a municipal or county legislative body who receives a fee, including a retainer, commission, or any other form of compensation for consulting services from a person or entity doing business with the municipality or county

represented by such official, any subsidiary of such person or entity, any entity that contracts with such person or entity, or any entity that contracts with an entity that contracts with such person or entity, shall be required to make the same disclosure required by § 2-10-122. The registry of election finance may devise a new form for disclosure of consulting fees by members of a municipal or county legislative body or members elect of a municipal or county legislative body or may modify the one required by § 2-10-122 for use by all parties required to disclose.

(b) All disclosures made to the registry pursuant to this section are public records and open for inspection during regular business hours.

(c)

(1) It is a Class A misdemeanor for a member of the general assembly or member elect of the general assembly to receive a fee, commission, or any other form of compensation for consulting services from a person or entity doing business with the state, a subsidiary of such person or entity, an entity that contracts with such person or entity, or an entity that contracts with an entity that contracts with such person or entity, and knowingly fail to disclose such fee as required by this section.

(2) It is a Class A misdemeanor for a member of a municipal or county legislative body or member elect of a municipal or county legislative body to receive a fee, including a retainer, commission, or any other form of compensation for consulting services from a person or entity doing business with the municipality or county represented by such official, a subsidiary of such person or entity, an entity that contracts with such person or entity, or an entity that contracts with an entity that contracts with such person or entity, and knowingly fail to disclose such fee as required by this section.

Section 2-10-124.

(a) The provisions of §§ 2-10-121, 2-10-122, and 2-10-123 do not apply to the services or actions of a person to whom this act otherwise would apply, if such person, with respect to such service or action, files a disclosure in accordance with the provisions of Tennessee Code Annotated, Title 3, Chapter 6, Part 1.

(b) A copy of the report filed by a member of the general assembly pursuant to Section 2-10-123 may be filed in lieu of a disclosure statement required pursuant to Section 8-50-502 relative to the same income disclosed pursuant to Section 2-10-123.

(c) Nothing in this act shall be construed to require an attorney who is also a member of the general assembly or member elect of the general assembly to file the disclosure otherwise required by this act for receiving compensation or fees for providing services in the performance of such person's duties as an attorney. Further, nothing in this act shall be construed to require an attorney to violate in any manner the rules of professional conduct, Rule 8 of the supreme court of Tennessee.

SECTION 2. This act shall take effect July 1, 2003, the public welfare requiring it.